

BuyLines

Quarterly **DAS** Procurement Update

VOLUME 1 ISSUE 2
WINTER 2010

INSIDE THIS ISSUE:

New IT Contracts	2
New Purchasing Agents	3
Ken Paulsen receives NASPO recognition	3
Unsung Heroes of Innovation	4
Continuing Education	4

Helping Public Buyers Become Better Shoppers

The responsibility for purchasing products and supplies for facilities at the state, county or municipal level is considerable. After all, it's the public's money that's being spent and it is critical that procurement professionals secure the best possible value – especially when taking into consideration the volume of many public purchases. Take toilet paper. A nickel less per roll can add up to many thousands of dollars every year.

So it makes a lot of sense that procurement professionals utilize the best possible resources for information and best practices and one of the best resources for this the National Institute of Governmental Purchasing (NIGP).

Procurement Services of DAS-General Services Enterprise sponsors NIGP memberships for 94 purchasing agents

throughout state government. NIGP membership provides access to a diversity of information, including a Resource Library that features:

- Commodity specifications
- Sample Solicitations
- Reports, articles and white papers
- NIGP research

NIGP believes that well trained purchasing professionals are better equipped to save time and money while providing the best value. That is why NIGP facilitates several certification courses either in either a traditional classroom setting or online. NIGP courses include:

- Certified Professional Public Buyer CPPB
- Certified Public Procurement Officer CPPO

...continued on page 2

DAS Procurement Projects More Than \$3 Million in FY11 Savings Via E020 Initiatives

Governor Chet Culver's Executive Order #20, issued in response to an extensive study of potential savings in state government by Public Works, included three specific initiatives targeted for the purchasing of products and services. While potential savings are projections made by Public Works and should not be considered absolute, the initiatives nevertheless will result in considerable savings.

Initiative 2-D directs DAS Procurement Services to negotiate statewide IT services contracts. Major steps taken to

this point include:

- Surveying agencies to determine how much is currently being paid for IT staff augmentation
- Reviewing other state practices (namely Oregon, Pennsylvania and Nebraska) as initiative prototypes
- Forming a group of five agencies to assist with writing RFP specifications
- Drafting and RFP

This initiative is projected to save \$750,000 in FY2011.

...continued on page 2

BuyLines is a quarterly publication from the Procurement Services division of the Iowa Department of Administrative Services. Its purpose is to inform Iowa state purchasing employees on developments and upcoming events that effect purchasing. For more information you may visit our website at <http://das.gse.iowa.gov/procurement/>

Your input is always welcome. Please contact the editor at Tera.Granger@iowa.gov or 515-725-2017.

This issue's contributors: Bobby Bailey, Tera Granger, Laurie Hoing, Ken Paulsen, Darcy Pech, Ryan Roovaart, Lois Schmitz, Barb Sullivan.

Did You Know?

DAS Procurement Services is funded through two sources of revenue - fees paid by customer agencies that are based on quantity purchased from master agreements and volume-based rebates from vendors. The vendor rebates are essential in lowering costs to customer agencies.

NIGP

continued from page 1

NIGP also provides consulting and other professional services, featuring expertise from former procurement directors, managers and chief procurement officers. These consultants can assist in determining benchmark measures as well as identifying best practices by evaluating legislation, policies, procedures and a particular organizational structure.

The importance of purchasing professionals maintaining certification in their field is an important mission of GSE-Procurement Services. Currently, more than 65 percent of purchasing agents for the state of Iowa have certification in either NIGP or the Institute of Supply Management.

For more information on NIGP, contact Lois Schmitz at 242-6118 (lois.schmitz@iowa.gov) or Debbie O'Leary at 281-8384 (debbie.oleary@iowa.gov).



E020 Savings

continued from page 1

Initiative 2-E directs DAS Procurement Services to enter into a maintenance equipment contract. Major steps accomplished so far include:

- Establishing a contract
- Contacting departments about participating in the contract
- Establishing the State Risk Manager to manage the project

This initiative is estimated to save \$1,700,000 in FY 2011.

Initiative 2-I centers on mandating the use of established contracts. Major steps already taken include:

- Establishing a task force of agency representatives to determine which contracts should be mandatory
- Reviewing and recommending mandatory contracts
- Begin negotiations with existing contract holders

While work remains with this initiative, including establishing mandatory contract provisions, communicating with agencies and establishing enforcement and review procedures, this initiative is estimated to save \$1,000,000 in FY2011.

DAS Procurement Announces New IT Contracts

DAS Procurement Services has issued three new WSCA contracts that have now been added to the State of Iowa I/3 system and are available for immediate use.

EMC2

B27161 WSCA EMC – For storage solutions, SAN connect devices and backup/recovery solutions.

Fujitsu

B27162 WSCA Fujitsu – For servers,

workstations, storage solutions, operating systems and Local Area Network Devices (LANs).

NetApp

B27170 WSCA NetApp – For storage solutions, operating systems and Local Area Network Devices (LANs).

Contact information for each of these master agreements is available in the "extended description" of the header page in the State of Iowa I/3 system.

Did You Know?

Before DAS and the creation of the entrepreneurial model, customer agencies were assessed a flat, one percent, fee for every purchase. Since changing this methodology to an annual allocation based on the quantity purchased from master agreements, customer agencies were spared nearly \$1.8 million in fees in the first three fiscal years.

New Purchasing Agents Join DAS Procurement

The State Employee Retirement Incentive Program (SERIP) took a significant toll on DAS Procurement, as 5 purchasing professionals decided it was time to end their employment with the State. After submitting a rehire plan with the Department of Management and months of reviewing applications and conducting interviews, three new professionals have joined DAS in the past few weeks.



Suzy Trotter, Purchasing Agent III came to the State from Delavan, Inc. where she worked as an Indirect Supply Chain Specialist for 3 years. Before that, Suzy worked at Maytag in Newton as a Procurement Business Analyst for 10 years. Suzy has a BS in Business Administration from Upper Iowa University.

Karl Wendt, Purchasing Agent III has worked at Iowa State University in IT purchasing as well as for Ortho Computer Systems and the Iowa Air National Guard. Karl is a CPSM (Certified Professional of Supply Management) and holds a BA in Management from Upper Iowa University.



Andrew Saxton, Purchasing Agent III, began his career in procurement with Hach Company in Ames. From there, he joined Sauer-Danfoss in Ames, where he was responsible for purchasing machining services, machined parts and other industrial components. Andrew has a BA in Speech Communications from Iowa State University as well as a CPM (Certified Purchasing Manager) certificate.

Ken Paulsen Receives NASPO Recognition

At the 2010 National Association of State Procurement Officials (NASPO) Annual Conference, Ken Paulsen, Purchasing Agent IV with DAS Procurement Services, received the NASPO President's Award in recognition of his outstanding leadership and service to the association.

"I believe that what we do is an important public service," said Ken, "and I'm very honored to have received this award."

Conference participants included procurement officials, guests and honorary members from 41 states and the District of Columbia. One attendee of

particular relevance to Ken's recognition was Jack Pitzer, who actually hired Ken in 1981.

Congratulations, Ken.



Did You Know?

The annual allocation model, combined with utilizing vendor rebates, continues to provide customer agencies with the best possible value when purchasing from master agreements – through lower overall costs and additional rebates returned to the agencies.

Public Procurement: Unsung Heroes of Innovation

Too often, the public purchasing process receives the same sort of scorn and criticism from the public and media as do other areas of government as being exceedingly bureaucratic, paper-centric and unaware of - or unresponsive to - trends in efficiency.

In reality, this perception is greatly mistaken. A recent report assembled for the Information Technology & Innovation Foundation in October, 2010 asserts that public procurement in the United States and Europe is actually influential in developing innovative strategies and outcomes. A key factor for this reasoning is that public procurement is required to be more transparent and fair than purchasing operations in the private sector, resulting in government at all levels developing processes and strategies to meet such requirements.

A particular example of innovative procurement occurred in the United Kingdom. In 2007, an estimated 9,000 patients died from hospital-borne infections, leading the National Health Service to develop a program called 'Design Bugs Out' to hopefully reduce the incidence of fatalities. After researching the situation, officials developed a list of the dirtiest places within hospitals and created a contest for developing everyday hospital equipment that was safer.

These officials discovered that smaller to medium-sized suppliers – those that may not have had large government fulfillment contracts – were best suited to provide the innovation needed for developing these new products. One particular innovation that evolved from this project was the intelligent mattress, which had a layer of hydrochromic ink that would change color if the outer plastic hygienic layer was punctured (bacterial traps can form in these punctures and be transferred to different patients).

Domestically, the incorporation of online bidding and contract solutions such as SciQuest, allows a much broader range of vendors and suppliers – including small to medium-sized enterprises - to potentially be a part of the public procurement process. In the United States, the Small Business Innovation Research Program (SBIR) allocates 2.5% of agency research budgets towards assisting smaller businesses to acquire government contracts.

Purchasing professionals in the public sector must deal with unique requirements not present in the commercial world. Low bids and an expectation of transparency combine to encourage buyers to think outside of the box and work towards developing solutions that can continue delivering necessary results.

Continuing Education News

The IPPA Education Committee, in conjunction with the Board, is pleased to announce the following classes for 2011.

Contracting for Public Sector Services

March 24-25, Ames, Instructor Mr. Richard Florey

Adding Value to the Procurement Process

May 4, Ankeny, Instructor Mr. Mike Bevis

Intro to Public Procurement

September 13-15, Des Moines, Instructor Mr. Tony Reed

For more information on classes and to register, go to <http://www.nigp.org>. Early registration (60 or more days in advance) can save you money!